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CITY COURT OF CROWLEY, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/16/05

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable T. Barrett Harrington,
City Judge
City Court of Crowley, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Crowley, Louisiana, a component unit of the City of Crowley, Louisiana, as of and for the year ended August 31, 2004, which collectively comprise the City Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City Court of Crowley's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of the City Court of Crowley's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of State law, we have issued a report, dated February 21, 2005, on the results of our agreed-upon procedures.

Management has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is required to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison schedules on pages 20 through 22 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the budgetary comparison schedules from information that is the representation of management of the City Court of Crowley, Louisiana, without audit or review. Accordingly, we do not express an opinion or any other form of assurance of the supplementary information.

Broussard, Poché, Lewis & Breau LLP

Crowley, Louisiana
February 21, 2005

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BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements (GWFS)

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF NET ASSETS

August 31, 2004

See Accountant's Review Report

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 103,265
Capital assets, depreciable, net	17,614
	<hr/>
Total assets	\$ 120,879
	<hr/> <hr/>
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accounts payable	\$ 5,168
Payroll taxes payable	1,089
Due to external parties	280
	<hr/>
Total liabilities	\$ 6,537
	<hr/>
NET ASSETS:	
Invested in capital assets, net of related debt	\$ 17,614
Unrestricted	96,728
	<hr/>
Total net assets	\$ 114,342
	<hr/>
Total liabilities and net assets	\$ 120,879
	<hr/> <hr/>

See accompanying notes to the financial statements.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF ACTIVITIES
 Year Ended August 31, 2004
 See Accountant's Review Report

FUNCTIONS/PROGRAMS	Expenses	Program Revenues Charges for Services, Fines and Forfeitures	Governmental Activities
			Net (Expense) Revenue and Change in Net Assets
<i>Governmental Activities:</i>			
General government	277,461	299,693	22,232
Total governmental activities	<u>\$ 277,461</u>	<u>\$ 299,693</u>	<u>\$ 22,232</u>
General revenues:			
Investment income			<u>1,150</u>
Change in net assets			\$ 23,382
Net assets, beginning			<u>90,960</u>
Net assets, ending			<u><u>\$ 114,342</u></u>

See accompanying notes to the financial statements.

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

CITY COURT OF CROWLEY, LOUISIANA

BALANCE SHEET -
ALL GOVERNMENTAL FUNDS
August 31, 2004
See Accountant's Review Report

	<u>City Court Fund</u>	<u>State Court Fund</u>	<u>Juvenile Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 35,304	\$ 54,208	\$ 13,753	\$ 103,265
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 5,168	\$ -	\$ -	\$ 5,168
Payroll taxes payable	292	797	-	1,089
Due to other funds	-	280	-	280
Total liabilities	\$ 5,460	\$ 1,077	\$ -	\$ 6,537
Fund balances - unreserved	29,844	53,131	13,753	96,728
Total liabilities and fund balances	\$ 35,304	\$ 54,208	\$ 13,753	\$ 103,265

See accompanying notes to the financial statements.

CITY COURT OF CROWLEY, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET ASSETS

August 31, 2004

See Accountant's Review Report

Total fund balances – governmental funds \$ 96,728

The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in the governmental funds. The *Statement of Net Assets* includes these capital assets among the assets of the Court as a whole. The cost of these capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the *Statement of Activities*. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 61,397	
Accumulated depreciation	<u>(43,783)</u>	
Net capital assets		<u>17,614</u>

Net assets of governmental activities \$ 114,342

See accompanying notes to the financial statements.

CITY COURT OF CROWLEY, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUNDS

Year Ended August 31, 2004

See Accountant's Review Report

	City Court Fund	State Court Fund	Juvenile Fund	Total Governmental Funds
Revenues:				
Fines	\$ 88,659	\$ 113,222	\$ 812	\$ 202,693
Intergovernmental	20,000	77,000	-	97,000
Investment income	375	596	179	1,150
Total revenues	\$ 109,034	\$ 190,818	\$ 991	\$ 300,843
Expenditures:				
Salaries	\$ 12,905	\$ 64,070	\$ -	\$ 76,975
Payroll taxes	715	3,941	-	4,656
Conventions and seminars	3,470	842	-	4,312
Office supplies	11,979	11,155	-	23,134
Fines	41,581	-	-	41,581
Off duty officer fees	4,111	-	-	4,111
Louisiana Commission on Law Enforcement fees	1,362	1,822	-	3,184
Crime Lab fees	6,581	8,777	-	15,358
Crime Victim Reparation fees	5,228	6,804	-	12,032
Indigent Defender fees	18,834	23,865	-	42,699
Trial Court Management Information System fees	1,364	1,769	-	3,133
Traumatic Head and Spinal Cord Injury fees	662	492	-	1,154
Drug Abuse Education and Treatment fees	-	500	-	500
Retirement	3,751	332	-	4,083
Audit and accounting	637	8,950	-	9,587
Dues and subscriptions	1,714	2,381	-	4,095
Maintenance agreements	774	942	-	1,716
District attorney fees	-	16,831	-	16,831
Miscellaneous	2,970	1,572	100	4,642
Total expenditures	\$ 118,638	\$ 155,045	\$ 100	\$ 273,783
Net change in fund balances	\$ (9,604)	\$ 35,773	\$ 891	\$ 27,060
Fund balances, beginning	39,448	17,358	12,862	69,668
Fund balances, ending	\$ 29,844	\$ 53,131	\$ 13,753	\$ 96,728

See accompanying notes to the financial statements.

CITY COURT OF CROWLEY, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIESYear Ended August 31, 2004
See Accountant's Review Report

Net change in fund balances – total governmental funds	\$ 27,060
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Governmental funds report capital outlays as expenditures. However,
in the *Statement of Activities*, the cost of these assets is allocated over
their estimated useful lives as depreciation expense.

Depreciation expense	<u>(3,678)</u>
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Change in net assets of governmental activities	<u>\$ 23,382</u>
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See accompanying notes to the financial statements.

CITY COURT OF CROWLEY, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
August 31, 2004
See Accountant's Review Report

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 137,457
Due from external parties	280
	<hr/>
Total assets	\$ 137,737
	<hr/> <hr/>
LIABILITIES	
Payroll taxes payable	\$ 183
Unsettled deposits	137,554
	<hr/>
Total liabilities	\$ 137,737
	<hr/> <hr/>

See accompanying notes to the financial statements.

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

See Accountant's Review Report

Note 1. Summary of Significant Accounting Policies

The City Court of Crowley, Louisiana, (the "City Court") was created under the authority of LSA-RS 13:1952. The City Court is governed by one Judge and one Marshal. The City Court maintains a courtroom and offices in Crowley City Hall. Revenues for the City Court include court costs assessed on civil and criminal cases handled by the Court; appropriations from the City of Crowley, Louisiana, and the Acadia Parish Police Jury, Louisiana; and other revenues. Major expenditures of the City Court include salaries and related benefits and other expenditures.

The accompanying financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. The more significant accounting policies of the City Court are described below:

Financial reporting entity:

A financial reporting entity consists of (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. GASB Statement No. 14, *The Financial Reporting Entity*, establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. A potential component unit must have separate corporate powers that distinguish it as being legally separate from the primary government. These include the right to incur its own debt; levy its own taxes and charges; expropriate property in its own name; sue and be sued in its own name without recourse to a State or local government; and the right to buy, sell, lease, and mortgage property in its own name.
2. The primary government must be financially accountable for a potential component unit. Financial accountability may exist as a result of the primary government appointing a voting majority of the potential component unit's governing body; their ability to impose their will on the potential component unit by significantly influencing the programs, projects, activities, or level of services performed or provided by the potential component unit; or the existence of a financial benefit or burden. In addition, financial accountability may also exist as a result of a potential component unit being fiscally dependent on the primary government.

In some instances, the potential component unit should be included in the reporting entity (even when the criteria in No. 2 above are not met), if exclusion would render the reporting entity's financial statements incomplete or misleading.

City Court Judges and Marshals are independently elected officials. However, the City Court is fiscally dependent on the City of Crowley, Louisiana, for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the City Court is fiscally dependent upon the City, the City Court was determined to be a component unit of the City of Crowley, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the City of Crowley, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

Basis of presentation:

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis City Court's overall financial position and results of operations. The City Court has not presented the MD&A that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.
 - Financial statements prepared using full accrual accounting for all activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying basic financial statements of the City Court of Crowley (including the notes to the financial statements). The City Court has implemented the general provisions of the Statement in the current year.

Fund accounting:

The City Court uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The minimum number of funds maintained by the City Court is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The basic financial statements of the City Court include both government-wide (reporting the City Court as a whole) and fund financial statements (reporting the City Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the City Court's operations are classified as governmental activities. The City Court does not have any business-type activities.

Government-wide financial statements:

The government-wide financial statements include a *Statement of Net Assets* and *Statement of Activities*. These statements report financial information on all of the nonfiduciary activities of the City Court. In the process of aggregating data for the *Statement of Net Assets* and the *Statement of Activities* some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

In the *Statement of Net Assets* the governmental type activities column (1) is presented on a consolidated basis by column and (2) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City Court's net assets are reported in three parts: (1) *invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) *restricted net assets* – consists of net assets with constraints place on the use either by (a) external groups such as creditors, grantors,

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) *unrestricted net assets* – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”. The City Court first utilizes restricted resources to finance qualifying activities.

The *Statement of Activities* reports the expenses of a given function offset by program revenues, directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues includes: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the City Court's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Program revenues included in the *Statement of Activities* are derived directly from court users as a fee for services; program revenues reduce the cost of the function financed from the City Court's general revenues. Investment income and other revenue sources not properly included with program revenues are reported as general revenues.

The City Court reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

This government-wide focus is more on the sustainability of the City Court as an entity and the change in the City Court's net assets resulting from the current year's activities.

Fund financial statements:

Fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major individual governmental funds, each reported in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City Court reports the following major governmental funds:

City Court Fund – to account for the receipt of court costs derived from city charges and the payment of court expense reports as well as the operating expenses of the court.

State Court Fund – to account for the receipt of court costs derived from state charges and the payment of court expense reports as well as the operating expenses of the court.

Juvenile Fund – to account for the collection of juvenile court costs.

The City Court reports the following fund types:

Agency Funds -

The agency funds account for assets held by the City Court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City Court maintains four agency funds as described below:

Civil Court Fund – to account for the collection and distribution of civil suit deposits.

Small Claims Fund – to account for the collection and distribution of small claim suit deposits.

Restitution Fund – to account for the collection and distribution of restitutions.

Truancy Fund – to account for the collection and distribution of truant fines.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

Basis of accounting - measurement focus:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide financial statements:

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows takes place.

Governmental fund financial statements:

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditure-driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Major revenue sources susceptible to accrual include: intergovernmental revenues and investment income. Fines and forfeits are not susceptible to accrual because generally they are not measurable until received in cash.

Budgets and budgetary accounting:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is employed as a management control device during the year that assists its users in financial activity analysis. All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget at the individual fund level. The City Court did not adopt a budget prior to the beginning of the fiscal year ended August 31, 2004.

Cash:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

Short-term interfund receivables and payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Capital assets and depreciation:

The accounting treatment over property and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements:

The City Court's property and equipment with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for furniture and equipment are 5 – 10 years.

Fund financial statements:

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated absences:

Sick and vacation leave is awarded on a calendar year basis and cannot be carried over to the next calendar year. As of August 31, 2004, the amount of the liability for sick and vacation leave untaken is immaterial to the financial statements taken as a whole and is therefore not recorded.

Interfund transfers:

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Legally authorized transfers are treated as operating transfers and are included in the results of operations.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Adoption of new accounting principles:

For the year ended August 31, 2004, the City Court implemented the following GASB standards: Statement No. 34 – *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*; Statement No. 37 – *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*; Statement No. 38 – *Certain Financial Statement Note Disclosures*; and Interpretation No. 6 – *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. -

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

The implementation of GASB Statement No. 34 caused the opening fund balance at August 31, 2004, to be restated in terms of "net assets" as follows:

Total fund balances, August 31, 2003		\$ 69,668
Add: Cost of capital assets	\$ 61,397	
Less: Accumulated depreciation	<u>(40,105)</u>	<u>21,292</u>
Total net assets, August 31, 2003		<u>\$ 90,960</u>

Note 2. Cash

For reporting purposes, cash include demand deposits, interest-bearing demand deposits, and time deposits. Under State law, the City Court may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The City Court may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount.

The amount of total bank balances is classified into three categories of credit risk:

1. Insured or collateralized with securities held by the government or by the government's agent in the government's name.
2. Collateralized with securities held by the pledging financial institution's trust department or government's agent in the government's name.
3. Uncollateralized, including amounts collateralized with securities held by the pledging institution or the pledging institution's trust department or agent, but not in the government's name.

At August 31, 2004, the carrying value of the City Court's cash deposits, including demand deposits and certificates of deposit, totaled \$240,722, and the bank balances totaled \$246,560. Of the bank balance, \$185,796, was covered by Federal Deposit Insurance Corporation (FDIC) coverage and \$60,764, was covered by collateral held by the custodial bank in the bank's name (Category 3).

Note 3. Interfund Receivables and Payables

Interfund balances at August 31, 2004, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Fund:		
State Court Fund	\$ -	\$ 280
Agency Fund:		
Civil Court Fund	<u>280</u>	<u>-</u>
Total interfund balances	<u>\$ 280</u>	<u>\$ 280</u>

All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

Note 4. Capital Assets

Capital assets and depreciation activity as of and for the year ended August 31, 2004, is as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Furniture and equipment	\$ 61,397	\$ -	\$ -	\$ 61,397
Less: accumulated depreciation	<u>(40,105)</u>	<u>(3,678)</u>	<u>-</u>	<u>(43,783)</u>
Governmental activities capital assets, net	<u>\$ 21,292</u>	<u>\$ 3,678</u>	<u>\$ -</u>	<u>\$ 17,614</u>

Depreciation expense was charged to functions as follows:

General government	<u>\$ 3,678</u>
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Note 5. Retirement

Louisiana State Employees' Retirement System

Plan description:

The City Judge is a member of the Louisiana State Employees' Retirement System. The Louisiana Employees' Retirement System (the System) is a cost-sharing multiple-employer public employee retirement system (PERS) established and provided for by Louisiana Revised Statutes 11.401-591. The System is controlled and administered by a separate Board of Trustees.

All State permanent employees are mandated by State law to participate in the System and all elected or appointed officials are eligible to participate in the System. Employees who retire at any age with 18 years of creditable service as a Judge or City Court officer; at or after age 50 with 20 years of creditable service, at least 12 years as a Judge or City Court officer; at or after age 55 with 12 years of creditable service as a Judge or City Court officer; or after age 70 without regard to number of years of creditable service as a Judge or City Court officer are entitled to a retirement benefit. The benefit is based on the average earned compensation for the 36 highest successive months of service. The benefit is 3.5% times the number of years of creditable service times the average compensation. Average compensation is the average earned compensation received during the 36 highest months of successive employment or the highest joined months of employment if service was interrupted. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by State statute.

The Louisiana State Employees' Retirement System issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

NOTES TO FINANCIAL STATEMENTS
See Accountant's Review Report

Funding policy:

Plan members are required to contribute 11.5% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate set annually by the Public Retirement Systems Actuarial Committee. The employer contributions rate was 15.8% until June 30, 2004, at which time it was increased to 17.8%. The City Court's contributions to the System for the years ended August 31, 2002, 2003, and 2004, were \$2,849, \$1,706, and \$-0-, respectively, equal to the required contributions for each year.

Municipal Employees' Retirement System of Louisiana

Plan description:

The Municipal Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer public employee retirement system (PERS) established and provided for by Louisiana Revised Statutes 11:1731-1866. The System is controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City Court are members of Plan A.

Employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 3% of their average final compensation multiplied by the employee's years of creditable service. Average final compensation is the employee's monthly earnings during the 36 consecutive or joined months of service that produce the highest average. The System also provides death and disability benefits. Benefits are established by State statute.

The Municipal Employees' Retirement System of Louisiana issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The employer current contribution rate is 11.0%. The contribution requirements of Plan members and the City Court are established and may be amended by the System's Board of Trustees. The City Court's contributions to the System for the years ended August 31, 2002, 2003, and 2004, were \$-0-, \$2,749, and \$4,083, respectively, equal to the required contributions for each year.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules

CITY COURT OF CROWLEY, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

CITY COURT FUND

Year Ended August 31, 2004

See Accountant's Report

	<u>Budgeted Amounts</u>			Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines	\$ 105,000	\$ 105,000	\$ 88,659	\$ (16,341)
Intergovernmental	20,000	20,000	20,000	-
Investment income	200	200	375	175
Total revenues	<u>\$ 125,200</u>	<u>\$ 125,200</u>	<u>\$ 109,034</u>	<u>\$ (16,166)</u>
Expenditures:				
Salaries	\$ 20,000	\$ 20,000	\$ 12,905	\$ 7,095
Payroll taxes	1,000	1,000	715	285
Conventions and seminars	-	-	3,470	(3,470)
Office supplies	900	900	11,979	(11,079)
Fines	45,000	45,000	41,581	3,419
Off duty officer fees	6,000	6,000	4,111	1,889
Louisiana Commission on Law Enforcement fees	2,500	2,500	1,362	1,138
Crime Lab fees	8,500	8,500	6,581	1,919
Crime Victim Reparation fees	7,000	7,000	5,228	1,772
Indigent Defender fees	23,000	23,000	18,834	4,166
Trial Court Management Information System fees	2,500	2,500	1,364	1,136
Traumatic Head and Spinal Cord Injury fees	2,000	2,000	662	1,338
Retirement	3,500	3,500	3,751	(251)
Audit and accounting	750	750	637	113
Dues and subscriptions	600	600	1,714	(1,114)
Maintenance agreements	400	400	774	(374)
Miscellaneous	1,550	1,550	2,970	(1,420)
Total expenditures	<u>\$ 125,200</u>	<u>\$ 125,200</u>	<u>\$ 118,638</u>	<u>\$ 6,562</u>
Net change in fund balance	\$ -	\$ -	\$ (9,604)	\$ (9,604)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>39,448</u>	<u>39,448</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,844</u>	<u>\$ 29,844</u>

CITY COURT OF CROWLEY, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

STATE COURT FUND

Year Ended August 31, 2004

See Accountant's Report

	<u>Budgeted Amounts</u>			Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines	\$ 118,000	\$ 118,000	\$ 113,222	\$ (4,778)
Intergovernmental	38,500	38,500	77,000	38,500
Investment income	200	200	596	396
Miscellaneous	4,000	4,000	-	(4,000)
Total revenues	<u>\$ 160,700</u>	<u>\$ 160,700</u>	<u>\$ 190,818</u>	<u>\$ 30,118</u>
Expenditures:				
Salaries	\$ 49,050	\$ 49,050	\$ 64,070	\$ (15,020)
Payroll taxes	2,200	2,200	3,941	(1,741)
Conventions and seminars	6,500	6,500	842	5,658
Office supplies	9,000	9,000	11,155	(2,155)
Louisiana Commission on Law Enforcement fees	2,500	2,500	1,822	678
Crime Lab fees	9,500	9,500	8,777	723
Crime Victim Reparation fees	6,200	6,200	6,804	(604)
Indigent Defender fees	25,000	25,000	23,865	1,135
Trial Court Management Information System fees	2,000	2,000	1,769	231
Traumatic Head and Spinal Cord Injury fees	1,000	1,000	492	508
Drug Abuse Education and Treatment fees	500	500	500	-
Retirement	-	-	332	(332)
Audit and accounting	14,500	14,500	8,950	5,550
Dues and subscriptions	2,800	2,800	2,381	419
Maintenance agreements	3,850	3,850	942	2,908
District attorney fees	20,000	20,000	16,831	3,169
Miscellaneous	6,100	6,100	1,572	4,528
Total expenditures	<u>\$ 160,700</u>	<u>\$ 160,700</u>	<u>\$ 155,045</u>	<u>\$ 5,655</u>
Net change in fund balance	\$ -	\$ -	\$ 35,773	\$ 35,773
Fund balance, beginning	-	-	17,358	17,358
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,131</u>	<u>\$ 53,131</u>

CITY COURT OF CROWLEY, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

JUVENILE FUND

Year Ended August 31, 2004

See Accountant's Report

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines	\$ -	\$ -	\$ 812	\$ 812
Investment income	-	-	179	179
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ -	\$ -	\$ 991	\$ 991
Expenditures:				
Miscellaneous	-	-	100	(100)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	\$ -	\$ -	\$ 891	\$ 891
Fund balance, beginning	-	-	12,862	12,862
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance, ending	\$ -	\$ -	\$ 13,753	\$ 13,753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CITY COURT OF CROWLEY, LOUISIANA

NOTES TO THE BUDGETARY COMPARISION SCHEDULES

Budgets and budgetary accounting:

The City Court uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Judge prepares a proposed operating budget for the fiscal year commencing September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
3. The budget is employed as a management control device during the year that assists its user in financial activity analysis.

Actual amounts may not vary more than 5% from the final amended budget at the individual fund level. The City Court did not adopt a budget prior to the beginning of the fiscal year ending August 31, 2004. All budget appropriations lapse at year end.

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Fayette T. Dupré, CPA*
Mary A. Castille, CPA*
Joey L. Breaux, CPA*
Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Grouchet, CPA* 1999
Ralph Friend, CPA 2002

Members of American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

*A Professional Accounting Corporation

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable T. Barrett Harrington,
City Judge
City Court of Crowley, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Court of Crowley, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Court of Crowley's compliance with certain laws and regulations during the year ended August 31, 2004, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information. However, the City Court of Crowley does not have any board members.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

To the Honorable T. Barrett Harrington,
City Judge
City Court of Crowley, Louisiana

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget, but failed to adopt the budget prior to the beginning of the fiscal year as required. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

Management did not hold any meetings during the fiscal year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Although actual revenues failed to meet budgeted amounts by more than 5% for both the City and State Court Funds, these funds are exempt from the amendment requirements because they are special revenue funds with anticipated expenditures of less than \$500,000. Actual expenditures for the year did not exceed budgeted amounts by more than 5%. In addition, the Juvenile Fund was not budgeted; however, it is also exempt from the amendment requirements.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the City Court Clerk.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-42:12 (the open meetings law).

Not applicable.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

To the Honorable T. Barrett Harrington,
City Judge
City Court of Crowley, Louisiana

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated February 9, 2004, included a comment on the fact that the City Court of Crowley failed to establish an adequate segregation of duties. This matter is unresolved for the year ended August 31, 2004. Our prior report also included a comment on the fact that the City Court of Crowley failed to adopt a budget prior to the beginning of the fiscal year as required. The same situation existed for the year ended August 31, 2004, and the comment is repeated above in agreed-upon procedure (5).

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City Court of Crowley, Louisiana, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard, Pache, Lewis & Breaux LLP

Crowley, Louisiana
February 21, 2005

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

2/18/05 (Date Transmitted)

Broussard, Poché, Lewis & Breaux

P.O. Drawer 307

Crowley, LA 70527

(Auditors)

In connection with your compilation of our financial statements as of August 31, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 8/31/04.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☐ No ☐ N/A

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☐ No ☐ N/A

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-

purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

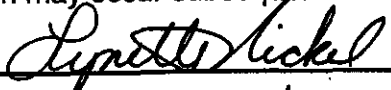
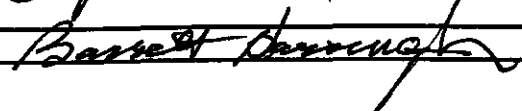
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u></u>	Secretary	<u>2/14/05</u>	Date
<u></u>	Treasurer		Date
	President	<u>2/24/05</u>	Date

CITY COURT OF CROWLEY, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
Year Ended August 31, 2004

Budget Adoption

The City Court of Crowley did not adopt a budget prior to the beginning of the fiscal year as required by the Local Governmental Act (LSA-RS: 1301-1316).

CITY COURT OF CROWLEY, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended August 31, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

General Administration

Finding:

While reviewing the internal control structure, we noted inadequate segregation of duties exists within the receipt and disbursement functions.

Current Status:

This finding is unresolved; however, because the level of assurance changed this year, it is not included in the current year schedule of findings.

Budget Adoption

Finding:

The Court did not adopt a budget before the beginning of the year as required by the Local Government Act (LSA-RS:1301- 1316).

Current Status:

This finding is also included in the review report for the year ended August 31, 2004, and is described in the schedule of current year findings. The City Court of Crowley did not adopt a budget prior to the beginning of the fiscal year as required by the Local Governmental Act (LSA-RS: 1301-1316).

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended August 31, 2003.

CITY COURT OF CROWLEY, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
Year Ended August 31, 2004

Budget Adoption

Management has assured that a budget will be adopted prior to the beginning of the fiscal year as required.

Responsible party: T. Barrett Harrington, City Judge